UNITED
NATIONS

E

Economic and Social Council

Distr.
LIMITED

E/C.10/AC.3/1992/L.3
9 March 1992

ORIGINAL: ENGLISH

COMMISSION ON TRANSNATIONAL CORPORATIONS
Intergovernmental Working Group of
Experts on International Standards
of Accounting and Reporting
Tenth session
5-13 March 1992
Agenda item 5

ADOPTION OF THE REPORT OF THE GROUP ON ITS TENTH SESSION

Draft report

Rapporteur: L. Nelson Carvalho (Brazil)

ORGANIZATION OF THE SESSION

A. Opening and duration of the session

1. The Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting held its tenth session at United Nations Headquarters from 5 to 13 March 1992. The Group held ____ meetings (1st to ___ meeting).

2. The session was opened by the Chairman of the ninth session, Ms. Marta Aguirre (Mexico). The Chairman welcomed the new member States and observers and reviewed the results of the ninth session. She stressed the fact that the Group of Experts was a working group, in which all members had to contribute if the Group were to have an impact on corporate accounting and reporting.

3. At the 1st meeting, on 5 March, the Director of Legal Advisory Services of the Department of Economic and Social Development made a statement on behalf of Mr. Ji Chaozhu, Under-Secretary-General. He said that the Group's endeavours towards the formulation of an internationally comparable system of standardized corporate accounting and reporting deserved the full support of the international community. Recent international developments had reinforced

the case for the harmonization of corporate standards and interest in the Group's work was at an all time high for several reasons. With the increased globalization of capital markets, the absence of sufficient information disclosure and adequate accounting standards had led to financial instability, as evidenced by the collapse of several transnational corporations, banks and insurance companies. The public was keenly aware of the need for a better regulatory environment, even in the most developed market economies. Furthermore, a crucial first step in the transition from planned to market economies was the development of an accounting system capable of measuring financial performance at the enterprise level. Lastly, developing countries were under continuous pressure from creditors and donors to increase their accountability, but they lacked the basic infrastructure (i.e., accountants and accounting standards) to do so.

4. The head of the Accounting and Information Branch of the Transnational Corporations and Management Division expressed satisfaction that the Group had seized upon important issues so that they could be addressed in a world forum. The global review of current developments in accounting ensured that developing countries and countries in transition could reflect on developments as they happened rather than after the fact. He also expressed satisfaction that the Group was at the forefront of issues such as environmental accounting and privatization. He urged the Group to transmit its conclusions on environmental accounting to the United Nations Conference on Environment and Development in order to strengthen Agenda 21.

B. Membership and attendance 1/

5. In accordance with Economic and Social Council resolution 1982/67, the Group is composed of 34 members, elected on the principle of equitable geographical distribution. One member from Asian States and two members from Latin American and Caribbean States have still to be elected.

6. The following States members of the Group were represented at the tenth session: Brazil, Bulgaria, Chile, China, Costa Rica, Cyprus, France, Gabon, Germany, Hungary, India, Italy, Jordan, Malawi, Mexico, Morocco, Netherlands, Nigeria, Pakistan, Russian Federation, Spain, Swaziland, Sweden, Switzerland, Thailand, Turkey and the United Kingdom of Great Britain and Northern Ireland.

7. The following States Members of the United Nations were represented by observers: Canada, Czechoslovakia, Poland, Romania and the United States of America.

8. The World Bank and International Monetary Fund were represented.

9. The Commission of the European Communities and the Organisation for Economic Cooperation and Development were represented by observers.

10. The following non-governmental organizations in consultative status with the Economic and Social Council were represented by observers:

Category I: International Chamber of Commerce
International Confederation of Free Trade Unions

Roster: Arab Society of Certified Accountants
International Assets Valuation Standards Committee

C. Election of officers

11. At its 1st meeting, on 5 March 1992, the Group elected the following officers:

Chairman: István Friedrich (Hungary)

Vice-Chairmen: Akhilesh Chandra Tiwari (India)
Abdelaziz Talbi (Morocco)
Peter Sandén (Sweden)

Rapporteur: L. Nelson Carvalho (Brazil)

D. Agenda and organization of work

12. At the 1st meeting, on 5 March, the Group adopted the following provisional agenda, as contained in document E/C.10/AC.3/1992/1:

1. Election of officers.

2. Adoption of the agenda and other organizational matters.

3. Programme of work of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting.

4. Provisional agenda for the eleventh session of the Group.

5. Adoption of the report of the Group on its tenth session.

At the same meeting, the Group approved its organization of work as set out in document E/C.10/AC.3/1992/L.2.

ADOPTION OF THE REPORT OF THE GROUP ON ITS TENTH SESSION

13. At its ___ meeting, on ___ March 1992, the Group adopted the draft report on its tenth session (E/C.10/AC.3/1992/L.3 and Add.1-___), as revised and amended during the discussion.

Notes

1/ With approval of the Group, the following organizations attended the session: International Accounting Standards Committee, International Federation of Accountants and Fédération internationale des experts-comptables francophones.